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This is USDA's Agricultural Marketing Service

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Introduction

Better marketing for farm products is the goal of the Agricultural Marketing Service (AMS), an agency of the U.S. Department of Agriculture whose history dates back to the formation of the USDA Office of Markets in 1913.

AMS is a service-oriented organization that provides a vast array of marketing services to the agricultural industry. It is unique among its Federal counterparts in that some 72 percent of its services are paid for by the various industries it serves.

AMS functions and programs relate to that basic and complex process of moving food and farm products from producer to consumer. Its programs help make that marketing process the most efficient, most dependable, most economical, and most equitable possible.



Marketing ...and the Role of AMS

If you are a typical American consumer, you shop for food once a week in a spacious, air-conditioned supermarket, select from 10,000 to 15,000 domestic food products, and pay about 15 percent of your spendable income for these food purchases.

It's hard to realize that it was not always this way in this country—and is not today in most countries.

What makes the difference? Many factors enter in—a farming system that is the most productive and efficient in the world; a competitive enterprise economy that spurs individual initiative; and the demands of consumers themselves for good quality, variety, convenience, and service. The kind of food shopping that you take for granted today would not be possible without the smooth functioning and highly efficient marketing system in this country.

This marketing system is the essential bridge between the producer of corn, milk, cattle, or other agricultural products, and the consumer. It is a system that is highly complex, varied, and extensive—

linking together a multitude of functions and individual decisions in a Nation that spans 3,000 miles. It is many things to many people.

To the largely urban population, it is the whole process that keeps millions of people supplied with their daily food needs. It is the process that transforms raw products into bacon, bread, canned and frozen fruits and vegetables, and countless other prepared foods—or brings it fresh from the fields—regularly, dependably, and safely.

To the farmer, the producer of the raw products that make up this food supply, marketing is a sales outlet and a source of income. Depending on what is produced, the farmer may market only once or several times a year, transactions that determine the profit or loss for an entire year's investment.

To yet other millions of people, marketing is a weekly wage—a business—a means of livelihood. These are the people who buy and sell, transport, assemble, store, process, package, and merchandise

the products of the Nation's farms. The food store manager is one of these people, so is the operator of the livestock market, the worker in the tomato cannery, the driver of the poultry truck, and the laboratory technician in the dairy plant. One out of every seven people works in the marketing of farm products. The marketing industry employs more people than any other form of enterprise in this country.

Altogether, marketing is a process of immense economic value. For foods, more than 70 percent of the cost, or the value, is added in marketing. For nonfood agriculture products, such as cotton, wool, and tobacco, marketing adds even more of the value. To an ever-increasing degree, the cost of marketing determines the prices paid for food and other products of farm origin.

All of this adds up to the reasons why an efficient, fair, and economical marketing system is important to every person in this country.

To help attain just that is the purpose of USDA's Agricultural Marketing Service. Its mission is to service the marketing system—to regulate, improve, and protect it—to help give force to the principle that the supply of food and other farm products shall move from producer to consumer quickly, efficiently, and with fairness to all.

That, in summary, is the responsibility of AMS. It is a big job and a complex mission, like the marketing system itself. It is carried out in many different ways and with the help and cooperation of many people.

In one aspect of its work, AMS is responsible for underwriting the quality of much of the Nation's food supply. Market news reports on trading activities of buyers and sellers of farm products.

AMS administers numerous industry self-help programs—marketing orders and agreements, research and promotion programs—that help make marketing more orderly and efficient.

Research and development programs seek to improve marketing practices, while other services regulate business practices that market agricultural products.

Through its program to purchase foods that are temporarily in excess supply, AMS also contributes to services that improve the diets of the Nation's school children and the needy.

In every kind of job that it does, the Agricultural Marketing Service truly serves the interest of all—that which we properly call the public interest. And the result is a breadth of choice for consumers unsurpassed anywhere in the world.

The Organization and Its People

To carry out its work, AMS maintains a nationwide organization with most of its employees stationed across the country, close to the people they serve.

The agency administrator, deputy administrators, and headquarter staff are located in Washington, D.C.

Employees of AMS come from a wide variety of academic disciplines and experience backgrounds. Graduates of degree programs in animal and poultry science, horticulture, food technology, dairy science, agri-business, botany, biology, agricultural marketing, agricultural economics, and computer science are preeminent in their contributions to the agency's programs. The staff includes skilled specialists with experience in agricultural commodity inspection and grading from the industry and State governments.

These are the people who are AMS—who carry out, day by day, the many responsibilities of the agency, providing AMS services where and when they are needed.

They work closely with State departments of agriculture, trade organizations, producers, and those engaged in handling, processing, transporting, and distributing farm products.

The AMS organization includes six commodity divisions—Cotton, Dairy, Fruit and Vegetable, Livestock and Seed, Poultry, and Tobacco. They employ the specialists who provide the standardization, grading, and market news services for those commodities. They enforce such Federal laws as the Perishable Agricultural Commodities Act, the Federal Seed Act, the Egg Products Inspection Act, and others listed in this booklet. They also oversee marketing agreements and orders, administer research and promotion programs, and carry out procurement programs.

AMS also includes the Market Research and Development Division which has several functions. It develops and maintains standardized food specifications to provide a more efficient Federal food procurement service. It provides technical



advice and assistance to municipalities interested in upgrading or creating wholesale market facilities. It provides matching funds to State departments of agriculture for marketing projects to improve local marketing systems.

Support services are provided by the Information Staff, Financial Management Division, Personnel Division, Compliance Staff, and Information Resources Management Division—as well as USDA's Animal and Plant Health Inspection Service.

Quality Assurance

In any grocery store, anywhere in this country, you are likely to find strawberries from California and Florida, beef from Texas, potatoes from Maine, cheese from Wisconsin, pineapples from Hawaii, chickens from Arkansas, and of course many other products from many other States.

This is commonplace. We take it for granted. Moreover, we expect all of these products to be of good uniform quality and reasonably priced.

AMS standardization and grading services help to make this possible. They help to keep our national marketing system for food and other farm products operating in an orderly and efficient manner. They help consumers select the kind and quality of products they want to buy. They help retailers bring their customers good and reliable quality. They help farmers to know consumer desires and to receive a price commensurate with the quality of their products. The trade of perishable

products across a nation that spans 3,000 miles and beyond is made easier, in part, by AMS' standardization and grading programs.

Nationally uniform standards of quality are developed and issued by AMS for cotton, dairy products, fruits, livestock, meat, mohair, poultry, rabbits, shell eggs, tobacco, vegetables, and wool.

These standards are the tools of the voluntary Federal-State grading services which provide official, impartial certification of quality. And they are the basis for the Federal-State market news reports, the market intelligence that helps farmers decide where and when to market and keeps products flowing to the right place at the right time for our unfailing food supply.

The use of the U.S. standards and AMS grading services is mostly voluntary. In a few cases, local, State, or Federal laws require their use. When grading is provided, the user pays a fee for the service.



Standards Define Quality

U.S. Grade A, U.S. No. 1, U.S. Choice—such terms are the language of trade in farm products and are guides to quality for food shoppers.

These and similar grade names describe qualities of food and fiber just as pounds, dozens, and quarts describe quantities. In the same way, they are based on certain definite standards.

U.S. standards are the basis for the quality grades. These standards cannot be quite so precise as the standards for quantity—16 ounces to the pound, 4 cups to the quart—because of the inherent variability of products produced by nature. Instead, they are based on practical attributes which determine the value and utility of the product. The standards for quality grades of beef, for instance, describe such factors as the amount of marbling (fat interspersed within the lean), the color, firmness, texture, and age of the animal for each of the grades. These factors are indicators of the tenderness, juiciness, and flavor of the meat—the

characteristics of beef that are important to consumers.

Standards for each product describe the entire range of quality. For this reason, the number of grades for a product depends upon its variability. While it takes eight grades to span the range of beef quality (USDA Prime, Choice, Good, Standard, Commercial, Utility, Cutter, Canner) for example, only three are required for frying chicken (U.S. Grades A, B, C). To the other extreme, there are 39 grades and more than 14 staple lengths for Upland cotton; and from 5 to 155 grades for the various types of tobacco.

AMS standardization specialists have developed grade standards for some 300 farm products. They develop new standards as new products come along or older products take on new looks, such as further processed convenience foods. They revise established standards when necessary to reflect changes in production, in use, and in marketing practices to keep them currently useful and accurate. And they eliminate standards that become obsolete because of these changes.

The men and women who develop the grade standards must be experts in their particular field. They must study and keep up with changes in production, harvesting, movement, processing techniques, and sales of a product.

For, above all, the standards must be practical, easily understood, and uniformly applied. They are meant to be used. In developing or revising standards, specialists must weigh the range of quality it is possible to produce against the qualities being produced in substantial amounts. It would hardly be practical to set standards for the top grade of any product so high that they would represent an ideal rather than an actuality.

Tools Measure Quality

Grading is largely a subjective process. The grader must judge the product, keeping in mind how it compares with the standards. Most standards are written descriptions of qualities. But for several products the standards are "practical forms," like actual samples of the various



grades and staple lengths of cotton against which cotton to be classed can be compared.

In recent years, more objective ways of grading have been developed and put into use for a number of products. A high volume instrument system is used to measure five of the six most important quality factors in cotton, and a device for measuring the sixth factor is being developed. Other tools include colorimeters for tomatoes and the refractometer used to measure sugar content of cantaloups and grapes. Computer and robot technologies are being applied to machines and instruments to help provide more objective use of the grade standards.

Graders Certify Quality

No matter how good the standards for farm products are, though, they lose much of their value unless they are interpreted accurately and applied uniformly.

This is exactly the purpose of the grading services provided by AMS. These grading services are often operated

cooperatively with State departments of agriculture, but training and supervision of the graders remain under the control of AMS so that there will be nationwide uniformity in the grading.

Graders, like standardization specialists, must be experts in their field. They must be able to make sound decisions, quickly and accurately, over long periods of time. Often the grader's decision means a higher or a lower price for the product.

Every working day, in all parts of this country, these graders are on the job determining and certifying the quality of the foods we eat and the fiber for the clothing we wear.

They work in meat packing houses, in poultry and egg processing plants, in dairy plants, in fruit and vegetable and cotton producing areas, in tobacco auction markets, in laboratories and on production lines, in terminal markets and wholesale houses in the cities. They work, in fact, at any point where farm products are assembled into the large lots needed in today's mass merchandising system.

By far, the largest amount of grading is done on the wholesale lots of food products. A smaller percentage of work involves certifying that specified lots of product meet a private or Government specification, such as a specification for a nationwide restaurant chain or the Department of Defense. Consumers may see no evidence of much of this grading, but because of it, and other improvements in production and marketing, they are today getting foods of better and much more consistent quality than ever before.

For some products, grades are widely used. USDA grades are most often found by consumers on beef, lamb, chicken, turkey, butter, and eggs. Many other products, including fresh and processed fruits and vegetables, are graded, but on these products the grade mark may not always carry through to the retail level. The grade marks most often found at retail are pictured in the back of this booklet.

Quality Federal Food Procurement

The Federal Government's yearly grocery bill adds up to over \$5 billion for food that is served at military installations, Veterans Administration hospitals, schools, correctional institutions, and other Federal food service programs. Such a huge buying operation involves the management of hundreds of specifications and the administration of a complex quality assurance program.

Since 1979, specialists in AMS' Governmentwide Food Quality Assurance Program have coordinated the development of uniform, simplified specifications—Commercial Item Descriptions or product purchase descriptions—that allow the diverse needs of user agencies to be met by current food industry production practices. AMS' grading staff may certify conformance to specification requirements. Prior to 1979, each Government food-buying agency managed its own procurement and quality assurance programs, producing a maze of complicated specifications and overlapping quality assurance activities.





The Governmentwide Food Quality Assurance Program is helping ensure that the Government takes advantage of the innovations and efficiencies of the commercial marketplace.

Egg Products Inspection

Continuous inspection of all processing plants producing liquid, frozen, or dried eggs is required by the Egg Products Inspection Act.

AMS inspectors in more than 100 plants across the Nation maintain constant check on sanitation of facilities and equipment, check the raw material used, and ensure proper processing and pasteurization of egg products. They make sure that only clean, wholesome egg products are sold to food manufacturers, bakers, restaurants, and others who buy bulk liquid, frozen, or dried eggs.

The law also controls the disposition of certain types of shell eggs, called "restricted eggs," which are of special concern. Restricted eggs include checked and dirty eggs, leaking eggs, incubator rejects,

loss, and inedible eggs, all of which can pose a health hazard to the public.

The law requires the denaturing or destruction of all restricted eggs to prevent their use as human food, except for checked or dirty eggs, which may be sent only to official USDA-inspected processing plants for proper handling and processing. Shell egg packers and distributors are checked periodically by USDA and cooperating State agencies to see that they are following proper procedures. Restaurants and food manufacturers are checked by the Food and Drug Administration to ensure compliance with the law.

Imported egg products must meet the same rigid requirements as domestic products.

Market News ... Facts Fast

Almost everywhere and any time trading in farm products goes on, Federal-State market news reporters are at work providing information about market conditions to the agricultural community.

Market news reporters gather data during visits to trading points and by telephone on qualities and quantities of the products sold, the prices paid, the demand, the movement, and the trends. From this information they develop timely, accurate, unbiased market reports for practically all agricultural commodities.

They continually gather this information throughout every trading day. And, they get it out promptly to the waiting public. The reports cover buying and selling of these commodity groupings: cotton and cottonseed; dairy products; poultry and eggs; fruits, vegetables, floral products, and specialty crops; livestock, meat, grain, hay, feeds, and wool; and tobacco.

AMS utilizes satellite communication, earth stations, and microcomputers to compile 700 to 900 market news messages and reports each day. This totals approxi-



mately 1 million characters of information transmitted by satellite among approximately 140 electronic "drops" across the country daily. News from California can be available in New York and points in between in only minutes after it is released.

Automatic telephone answering devices are also used to disseminate market news. In 44 States a farmer or trader can dial a local number and receive a recorded message—updated several times a day—with the latest market news reports for a particular commodity in a specific area.

Market news reports also find their way into newspapers and magazines, radio and television, bulletin boards, and printed reports that are available on subscription.

Market news reporters gather and document information through personal observation of the transactions, talking to buyers and sellers, and checking sales records. They must make sure that an accurate picture of the market is given because many people rely on their reports. Some AMS offices use electronic record-

ing systems to capture, process, and store the information. For example, such a system is used to process data about the 10 to 13 million samples of cotton classed each year.

Like their fellow employees in standardization and grading work, market news reporters have to be experts on the commodities covered. For even if the product is not officially graded, the reporter must often report prices paid for the various qualities in terms of the nationally understood language, U.S. grades.

Only in this way can prices, supply, and demand be realistically compared from day to day and from market to market, throughout the country.

Farmers and others who buy and sell farm products need to make these comparisons. They need market news in making decisions on how much and what kind of product to grow, on where and when to market, on whether or not to accept a price bid. This information helps to keep the marketing channels filled—but not overflowing—preventing unnecessary and

wasteful gluts and shortages, and helping provide consumers with a reliable and reasonably priced supply of foods to meet their daily needs.

Market news reports may help an Iowa hog grower, for instance, decide whether to ship the hogs to a terminal market, or sell them at a nearby auction or direct buying station, or hold back for a few days if a heavy run is reported. Market reports in the local newspaper or on radio or television were likely provided by the Federal-State market news reporter.

Similar stories could be told about the need for market news for every other important farm commodity—and how this need is being met by the market news services.

Market news services are operated cooperatively with State departments of agriculture, or in the case of cotton, a price quotations committee. AMS provides the centralized direction and coordination so necessary to achieve nationwide uniformity and make the market news reports useful throughout the country.

Balancing Supply and Demand

When supplies of farm products outrun demand, farm prices can fall drastically. Similarly, limited supplies can raise prices to unreasonable levels.

Federal purchases of surplus nonprice-supported commodities contribute to stabilizing the market—and they help broaden geographic markets to the benefit of farmers and marketers. Food customarily purchased includes meat and meat products, poultry and poultry products, egg products, fish, nuts, and fresh and processed fruits and vegetables.

Section 32

Under authority of section 32 of The Act of August 24, 1935, AMS purchases temporary surpluses of perishable products for donation to schools, institutions, and other eligible domestic outlets.

The law authorizes funds on a continuing basis—without the need for annual Congressional approval and appropriations. The money comes from customs receipts.

Section 6

AMS also buys food under authority of section 6 of the National School Lunch Act for schools taking part in child nutrition programs. These purchases are for the purpose of helping the schools meet the nutritional requirements of the programs. Foods purchased are those that are plentiful enough so that the purchase will not disrupt commercial markets.

Industry Self-Help Programs

Marketing Agreements and Orders

Marketing agreements and orders are designed to help stabilize markets for a number of farm commodities, chiefly milk, fruits, vegetables, and certain specialty crops like nuts, raisins, and dates. They are a means through which farmers can organize for marketing— increase their bargaining strength—and generally work to solve marketing problems they cannot solve individually. AMS has oversight responsibility to make sure the orders operate in the public interest and within legal bounds.

The programs are initiated and designed by farmers. A marketing order may be issued by the Secretary of Agriculture only after public hearings, at which farmers, marketers, and consumers may testify, and after farmers vote approval through a referendum.

For milk, a Federal order achieves market stability in a defined geographical area. The order sets minimum prices handlers (processors) must pay producers, based on current supply and demand con-

ditions. Each order is adapted to the particular area to be regulated. Most of the Nation's major population centers are covered by milk orders. Terms of an order are carried out in the regulated market by a local administrator, appointed by the Secretary.

Federal milk orders regulate prices paid to producers for milk eligible for fluid use, commonly called grade A milk. Having enough milk for such fluid use means that there will always be some left over. This leftover milk is used to make butter, ice cream, and other manufactured products.

Consequently, Federal milk orders require that milk be classified according to use; and a minimum price paid to producers is set for each class. Farmers are paid a "blend" price, an average based on higher prices paid for milk used in fluid form and lower prices paid for milk used to make manufactured products. The orders do not regulate the prices consumers pay for milk, however.

Each month, the market administrator in each regulated area calculates the blend price for the month. Reports from handlers and class prices specified in the order are used as guides in setting the blend price. To ensure that producers receive their fair share, handlers' books are audited and the weighing and testing of producers' milk is checked.

Market administrators also regularly publish information on the supplies, prices, and sales of milk in the regulated market. These reports are a valuable tool used by both producers and handlers in making judicious marketing decisions.

Federal marketing orders for fruits, vegetables, and related specialty crops are also aimed at providing stable markets. They help farmers produce for a market, rather than market whatever happens to be produced. There is no direct control of pricing or production.

A marketing order program may also enable an industry to regulate the handling and marketing of its crops so as to prevent market shortages and gluts. In addi-



tion, marketing orders can keep high quality produce on the market; standardize packs or containers; regulate the weekly flow to market; establish reserve pools for storable commodities; and authorize advertising, research, and market development. Each program is tailored to the individual industry's marketing needs.

Programs for fruits, vegetables, and specialty crops are administered by local administrative committees made up of growers and/or handlers. Committee members are nominated by the industry and appointed by the Secretary. The administrative committee recommends to USDA regulations to be issued under the order. If these recommendations are approved by the Secretary, they are issued and become binding on the entire industry in the geographical area regulated.

Whenever the grade, size, quality or maturity of a domestic commodity is regulated by a marketing order, imports of that commodity must meet the same or equivalent minimum standards if the par-

ticular commodity is included among those specifically named in the authorizing legislation. Congressional action is needed to change the list of commodities.

Research and Promotion Programs

Research and promotion programs enable farmers to finance their own coordinated programs of research; producer and consumer education; and promotion to improve, maintain, and develop markets for their commodities and to solve production and marketing problems.

Laws have been passed authorizing research and promotion programs for beef, cotton, dairy products, eggs, floral products, honey, lamb, mohair, pork, potatoes, watermelon, wheat, and wool.

In general, once legislation is enacted, a proposed order is drafted by the industry and submitted to the Department. Then, depending upon the legislation, there could be public hearings, development of recommended and final decisions, and a producer referendum.

AMS monitors the activities of all research and promotion programs. Most programs are administered by boards appointed by the Secretary of Agriculture. Depending upon the program, funds may come from assessments on producers, handlers, or end product manufacturers.

Market Research and Development

Improvement in the marketing of agricultural commodities results when there is knowledge based on research. Poor handling methods and facilities can destroy product quality; cause spoilage losses; and add unnecessary handling costs to food, which raise consumer prices or reduce farmer income.

The Wholesale Market Development Program focuses on ways to improve the handling, processing, packaging, storage, and distribution of agricultural products. AMS researchers work with local governments and food industry groups to identify existing problems, to design improved facilities, and to assess potential costs and benefits associated with the development of modern, efficient wholesale food distribution centers and farmers markets.

Examples of research projects include: Reducing the size variation in shipping cases to improve handling efficiency; improving facility layouts and systems for grading, inspecting, and handling products

to facilitate the work of other Federal-State employees; identifying new marketing opportunities for alternative crops to keep the farming sector economically sound.

AMS also supports market research and development at the State level. The Federal-State Marketing Improvement Program provides matching funds to State agencies for research projects aimed at improving marketing services in their States.



Toward Fair Play in Marketing

Assurance of dependable supplies and reasonable prices and protection against misrepresentation of products and against unfair business practices are important to producers, marketers, and consumers of food and farm products. These are the purposes of the marketing regulation programs carried out by AMS.

AMS administers four major regulatory laws—the Perishable Agricultural Commodities Act, the Federal Seed Act, the Plant Variety Protection Act, and the Agricultural Fair Practices Act.

Perishable Agricultural Commodities Act

The Perishable Agricultural Commodities (PAC) Act is designed to encourage fair trading practices in the marketing of fresh and frozen fruits and vegetables. It prohibits unfair and fraudulent practices and it provides a means of enforcing contracts in interstate or foreign commerce. It cuts risks in the marketing of these highly perishable foods and thus speeds their reliable delivery to consumers.

The PAC Act provides a code of ethics for the fruit and vegetable industry that might be summed up as “Get what you pay for, and pay for what you get.”

It requires that parties comply with the terms of their contracts. The seller must ship the specified quantity and quality, and the buyer must accept shipments delivered as promised. The buyer must pay promptly for purchased shipments, issue accurate accounts of sales, and pay net proceeds due for consigned shipments.

The act provides increased protection to sellers of produce should buyers default in payment, become insolvent, or file bankruptcy. Buyers must hold all inventories, receivables, or proceeds from the sale of the seller's produce in trust until the seller is paid. If the buyer defaults in payment, the seller has 30 days in which to file a notice with a PACA office to become a beneficiary to the trust assets. These notices are either mailed to a PACA office or are sent over an electronic communications system. In 1985, some 30,000 notices were filed by sellers using

their own personal computers. This number is expected to grow because electronic processing of the notices—and reimbursement to the sellers—is faster.

Misbranding of fruits and vegetables is prohibited. The act does not require any particular marking on containers, but those that are used must be accurate. Misrepresentations concerning grade, State of origin, and weight are unfair trading practices prohibited by the act.

Practically everyone in the produce industry, from growers' agents to large retailers, is covered by the act. Except for growers marketing only their own crops, everyone who trades in fresh or frozen fruits or vegetables which move in interstate commerce must have a PACA license. This license can be suspended or revoked for violations of the act. The act permits a violator to settle the liability for a misbranding violation informally by paying a monetary penalty up to a maximum of \$2,000.

PACA offices handle complaints involving unfair trading practices, endeavor to

bring parties together, and arrange informal settlement of disputes.

Perhaps more important than settling disputes is preventing them. PACA representatives regularly furnish advice to growers, shippers, and buyers on their marketing transactions upon request, informing them of their rights and responsibilities under the PAC Act.

They also make spot checks from time to time at packing sheds, shipping points, terminal markets, and similar places to make sure that the provisions of the act prohibiting misbranding are being observed.

Federal Seed Act

Good seed is basic to good agriculture—and to our food, feed, and fiber crops. Enforcement of the Federal Seed Act protects consumers, as well as farmers, and all who deal in seeds.

This law requires that agricultural and vegetable seeds which move in interstate commerce be truthfully labeled. It prohibits false advertising. And it prohibits

importations of contaminated seed and screenings. The act does not cover seeds of flowers and ornamental plants.

Labels for agricultural seed must state such information as the kinds and percentages of seed in the container, percentages of inert matter and weed seeds, germination percentage and the date tested, and the name and address of the shipper.

Vegetable seeds in small containers must meet specified standards for germination or be labeled to indicate that they are below standard.

State governments cooperate closely with AMS, for each of the 50 States has its own seed law too. In the Federal seed laboratory, technicians analyze seed samples sent in by cooperating State seed inspectors who suspect violations. The analysts must be able to identify all kinds of seeds, separate the pure seeds from weed seeds, and make germination tests and trueness-to-variety tests.

Penalties are assessed for violations of the law. Many such actions are brought each year—some for misrepresentation of germination rates or purity of the seed, and some for false labeling as to variety.

Plant Variety Protection Act

The Plant Variety Protection Act provides patent-like protection to breeders of plants that reproduce sexually; that is, through seeds. Developers of new varieties of plants such as soybean, garden bean, and marigold can apply for certificates of protection. AMS examiners determine if the variety actually is novel and entitled to protection. Holders of the certificate can use the courts to protect their rights—to keep a second party, for example, from selling the novel variety without authority, exporting it, or sexually multiplying it as a step to selling it.

Agricultural Fair Practices Act

Has a processor refused to deal with a farmer because the farmer is a member of a producers' association? If so, the farmer can file a complaint with AMS under the Agricultural Fair Practices Act of 1967.

The act makes it unlawful for handlers of agricultural commodities, except cotton and tobacco, to coerce, intimidate, or discriminate against producers because they belong to a producers' association. Farmers whose rights are violated in this respect can get AMS help in asking the Federal courts to restrain handlers from such unlawful practices.



Federal Laws ...Basis of AMS Programs

Agricultural Fair Practices Act—Protects farmers' rights to organize and to join cooperatives. Establishes standards of fair practices for handlers and processors of agricultural commodities who deal with farmers, prohibiting them from discriminating in any way against members of a producers association. Handlers of cotton and tobacco are exempt from the law. (7 U.S.C. 2301-2306)

Agricultural Marketing Act of 1946—Provides the basic authority for many functions of the Agricultural Marketing Service. This act authorizes Federal standards for farm products, grading and inspection services, market news services, cooperative agreements, market expansion activities, consumer education work, and various other functions of AMS. (7 U.S.C. 1621-1627)

Agricultural Marketing Agreement Act of 1937—Authorizes establishment of marketing orders and agreements to regulate the handling of milk and setting of mini-

mum prices to farmers, and to regulate quality or quantity of shipments and types of containers and packs of specified fruits, vegetables, nuts, eggs, and certain other commodities. The act also requires regulation of imports into the United States of certain of these commodities whenever domestic shipments are subject to quality regulations under a marketing order. (7 U.S.C. 601, 602, 608a-e, 610, 612, 614, 624, 671-674)

Beef Promotion and Research Act—Enables beef producers to establish, finance, and carry out a nationally coordinated program of research, promotion, and consumer education to improve, maintain, and develop markets for beef and beef products. The program is funded by assessments on all cattle sold in the United States and on cattle, beef, and beef products imported into this country. (7 U.S.C. 2901-2911)

Cotton Futures Act—Requires that each bale of cotton delivered in settlement of

futures contracts be classed by a USDA cotton classing office. The act also provides for the designation of bona fide spot cotton markets and the issuance of cotton price quotations for these markets. (7 U.S.C. 15b)

Cotton Research and Promotion Act—Enables cotton growers to improve their competitive position and to expand markets for cotton through a program of self-assessments. (7 U.S.C. 2101-2118)

Cotton Statistics and Estimates Act—Provides for (1) a report on estimates of the grade and staple lengths in the carryover of cotton stocks as of August 1 each year, and (2) periodic reports each year on estimates of the grades and staple lengths of the cotton crop. (7 U.S.C. 471-476)

(a) **Smith-Doxey Amendment—**Provides for cotton classing and market news services to growers. The act also authorizes the Secretary to collect fees from cotton producers for classification services. (7 U.S.C. 473a-c)

(b) **Cotton Service Testing Amendment—**Provides for cotton fiber tests and smallscale spinning tests for breeders, merchants, consumers, and others to promote objective measures of cotton quality, orderly marketing, and better varieties of cotton. (7 U.S.C. 473d)

Dairy Production Stabilization Act of 1983 (Subtitle B)—Enables milk producers to establish, finance, and carry out a national coordinated program of promotion, research, and nutrition education designed to strengthen the dairy industry's position in the marketplace and to maintain and expand domestic and foreign markets and uses for fluid milk and dairy products produced in the United States. The program is financed by assessments on all milk marketed commercially by dairy farmers in the United States. (7 U.S.C. 4501-4513)

Egg Products Inspection Act—Requires continuous USDA inspection of all egg-processing plants, restricts certain types of shell eggs from moving into consumer

channels, and prohibits State or local governments from imposing standards differing from official USDA standards for grade and size for eggs moving in interstate commerce. (21 U.S.C. 1031-1056)

Egg Research And Consumer Information Act—Enables egg producers to finance and carry out a coordinated program of research; producer and consumer education; and promotion to improve, maintain, and develop markets for eggs, egg products, spent fowl (laying hens no longer productive), and products of spent fowl. The program is financed through assessments on producers. (7 U.S.C. 2701-2718)

Export Apple And Pear Act—Requires inspection of fresh apples and pears exported from the United States to determine that they meet minimum quality specifications established under this act by the Secretary of Agriculture. (7 U.S.C. 581-590)

Export Grape And Plum Act—Requires inspection of export shipments of those types of fresh grapes and plums for which the Secretary of Agriculture has established minimum quality specifications under this act. (7 U.S.C. 591-599)

Federal Seed Act—Requires truthful labeling of seed shipped in interstate commerce and prohibits false advertising. (7 U.S.C. 1551-1611)

Floral Research and Consumer Information Act—Provides for a nationally coordinated research, consumer, and producer education and promotion program for cut flowers, potted plants, and foliage plants. (7 U.S.C. 4301-4319)

Honey Research, Promotion, and Consumer Information Act—Enables honey producers and handlers to finance a nationally coordinated research, promotion, and consumer education program designed to expand the markets for honey and honey products. (7 U.S.C. 4601-4612)

National Wool Act—Defines a procedure for making support payments to producers of wool and mohair. Payments are made when returns do not reach levels specified by law. The act also allows for deductions to be made from the payments to provide funds for advertising, promotion, and related market development activities for mohair, wool, and lambs. The deductions must be approved by producer referendum. (7 U.S.C. 1781-1787)

Naval Stores Act—Provides for defining and establishing standards; establishing methods for analysis, inspection, sampling, and grading of naval stores products; and regulating the labeling, advertising, and packing of such products for sale in commerce. (7 U.S.C. 91-99)

Perishable Agricultural Commodities Act—Prohibits unfair and fraudulent practices in the marketing of fresh or frozen fruits and vegetables; and requires that dealers, commission merchants, brokers, shippers, and growers' agents handling

these commodities in interstate or foreign commerce be licensed. Impresses a trust on the commodities and sales proceeds of perishable agricultural commodities for the benefit of unpaid sellers or suppliers until full payment is made. (7 U.S.C. 499a-s)

Plant Variety Protection Act—Extends protection to developers of plants which reproduce sexually; that is, through seeds. Holders of certificates can use the courts to protect their "inventions" from being exploited by others. (7 U.S.C. 2321-2331, et al)

Pork Promotion and Research Act—Authorizes a program of promotion, research, and consumer information to strengthen the position of the pork industry in the marketplace and to maintain, develop, and expand markets for pork and pork products. The program is funded by assessments based on a percentage of the market value of all hogs sold in the United States and on imported hogs, pork, and pork products. (7 U.S.C. 4801-4819)

Potato Research and Promotion Act—

Enables potato producers to finance and carry out a coordinated research, promotion, and consumer education program to improve, maintain, and develop market outlets for potatoes and potato products. This program is financed by producer assessments. (7 U.S.C. 2611-2627)

Produce Agency Act—Prohibits fraudulent practices in connection with consignment transactions involving all types of perishable farm produce received in interstate commerce, such as dairy and poultry products, fresh fruits and vegetables, cut flowers, and Christmas trees. (7 U.S.C. 491, 493-497)

Section 32 of The Act of August 24, 1935—Authorizes purchase, export, and diversion programs to widen market outlets for surplus farm commodities. The act also provides for limited price assistance to farmers and for increasing the use of agricultural products among low-income groups. (7 U.S.C. 612c)

Tobacco Adjustment Act of

1983—Requires the Secretary to inspect all tobacco offered for importation into the United States, except cigar and oriental tobacco, for grade and quality. Also requires that all flue-cured and burley tobacco imported into the United States not exceed specified levels of prohibited or banned pesticides, and that the end users of the tobacco be identified. (7 U.S.C. 511r)

Tobacco Inspection Act—Provides for establishing and promoting the use of standards of classification for tobacco and maintaining official tobacco inspection and market news services. (7 U.S.C. 511-511q)

Tobacco Plant and Seed Exportation Act—Prohibits the exportation of tobacco seeds and plants except for experimental purposes. (7 U.S.C. 516-517)

Tobacco Statistics Act—Provides for the collection of statistics on stocks of leaf



tobacco held by dealers and manufacturers and publication of these and other statistics for tobacco. (7 U.S.C. 501-508)

U.S. Cotton Standards Act—Provides for (1) establishment, preparation, distribution, and use of official standards for cotton; and (2) a cotton classing service on a fee basis for shippers, spinners, and the general public. (7 U.S.C. 5-65)

Watermelon Research and Promotion Act—Enables watermelon producers to finance and implement a coordinated research, advertising, and promotion program to strengthen the watermelon's competitive position in the marketplace in both domestic and foreign markets. The program is funded by assessments on growers and handlers. (7 U.S.C. 4901-4916)

Wheat and Wheat Foods Research and Nutrition Education Act—Authorizes a program of research and nutrition education designed to expand domestic and foreign markets and increase utilization for U.S. wheat. Projects include development of consumer-oriented nutrition education efforts. (7 U.S.C. 3401-3417)

Wool Standards Act—Authorizes the use of certain funds for wool standardization and grading work. (7 U.S.C. 415b-d)

Grade Marks

The following grade marks are most often found in retail food stores.

Meat

Beef. Lamb. Veal.



Poultry

Chickens. Turkeys. Ducks. Geese.



Eggs



Fruits and Vegetables and Related Products

Fresh fruits and vegetables.

U.S. (This grade name is more likely to be found without the shield.)
Fancy

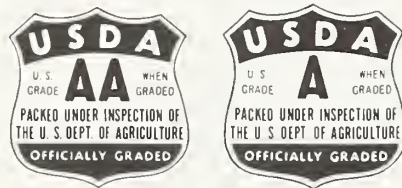


Canned and frozen fruits and vegetables.
Dried or dehydrated fruits. Fruit and vegetable juices, canned and frozen. Jams, jellies, preserves. Peanut butter. Honey. Catsup, tomato paste.



Dairy Products

Butter.



Cheddar cheese.



Instant nonfat dry milk.





All AMS services and benefits are available without regard to race, color, creed, sex, national origin, or handicap.